

# NEWS

---

United States Department of Justice  
U.S. Attorney, District of New Jersey  
401 Market Street, Fourth Floor  
Camden, New Jersey 08101

---



---

***Christopher J. Christie, U.S. Attorney***

---

***More Information?*** Contact the Assistant U.S. Attorney or other contact listed below to see if more information is available.

***News on the Internet:*** News Releases, related documents and advisories are posted short-term at our website, along with links to our archived releases at the Department of Justice in Washington, D.C. ***Go to: <http://www.njusao.org/break.html>***

---

Assistant U.S. Attorneys  
EUGENIA A.P. COWLES  
609-989-2354  
R. STEPHEN STIGALL  
856-757-5031

dema1208.rel  
FOR IMMEDIATE RELEASE  
Dec. 8, 2006

---

## Egg Harbor City Doctor and Co-conspirator Convicted for Scheme to Defraud ALS Patients

---

(More)

---

Greg Reinert , PAO : 856-757-5233  
<http://www.usdoj.gov/usao/nj/>

Public Affairs: 973-645-2888

**Breaking News (NJ) <http://www.usdoj.gov/usao/nj/publicaffairs/index.html>**

---

CAMDEN – An Egg Harbor City doctor and her co-conspirator were convicted by a federal jury today for their scheme to defraud patients suffering from amyotrophic lateral sclerosis (ALS), often referred to as "Lou Gehrig's disease," U.S. Attorney Christopher J. Christie announced.

After 7 hours of deliberations, which began Dec. 7, the jury convicted Charlene C. DeMarco, 55, a doctor of osteopathy with a practice and residence in Egg Harbor City, and Elizabeth Lerner, 38, a.k.a. "Elizabeth Copperman," a.k.a. "Liza," of Egg Harbor City, of all charges contained in an 11-count Indictment. The defendants were both convicted on one count of conspiracy to commit mail and wire fraud, three counts of mail fraud, six counts of wire fraud, and one count of money laundering.

U.S. District Judge Joseph H. Rodriguez, who presided over the 10 day trial, continued the defendants' bail pending sentencing, which is scheduled for April 26, 2007, at 10 a.m.

The case was tried by Assistant U.S. Attorneys Eugenia A.P. Cowles and R. Stephen Stigall.

On March 30, 2006, the defendants were arrested by Special Agents of the U.S. Food and Drug Administration (FDA), Office of Criminal Investigations, on the Indictment, which was returned on March 29.

In convicting the defendants, the jury found that from October 2002 until November 2004, DeMarco and Lerner agreed with each other to defraud ALS patients and their families.

During the trial, the jury heard the testimony of 24 government witnesses and viewed hundreds of pieces of evidence regarding the defendants' scheme to falsely claim that DeMarco, a doctor of osteopathy specializing in the treatment of Lyme disease, could treat ALS patients with stem cell therapy in order to induce the patient's families to pay for such treatment, even though DeMarco would not and could not have provided the promised treatments. Families of the victimized patients paid up to \$35,000 to the defendants in anticipation of treatments that were never performed.

"We are gratified by today's verdict," Christie said. "The conduct of which these defendants were convicted is contemptible and represents a shocking example of greed and a total disregard for historic principles of humane medical treatment."

According to trial testimony and evidence, the defendants attempted to defraud four patients and their families, all of which reside in Louisiana, of more than \$140,000 in total and successfully obtained more than \$40,000 through the scheme. The jury heard details of numerous false statements made by the defendants to the patients and their families, including that DeMarco had previously received FDA approval to treat ALS

using stem cells. The jury also heard how the defendants illegally laundered the funds they received from their scheme and used the proceeds for their own personal expenses.

For instance, the jury heard testimony that in May 2004, DeMarco spoke via telephone with a relative of an ALS patient who at the time resided in Johnson Bayou, La., and is now deceased, regarding the possibility of treating the patient with stem cells. In a subsequent phone call on June 12, 2004, DeMarco told the patient and the patient's family that she had an on-going study of stem cell treatments for ALS patients and that she required an up-front fee of \$35,000. On June 20, the family mailed a check for \$35,000 made payable to "Innovative Cellular Technology, c/o Elizabeth Lerner," from Louisiana to DeMarco in New Jersey. Innovative Cellular Technology (ICT) was a newly formed company by the defendants. Ten days later, the defendants opened an account in the name of ICT at Merrill Lynch and deposited the check.

The conspiracy charge carries a maximum statutory sentence of five years in prison and a fine of up to \$250,000. Each count of mail fraud and wire fraud carries a maximum sentence of 20 years in prison and a fine of up to \$250,000. The money laundering charges carries maximum sentence of 10 years in prison and a fine of up to \$250,000.

In determining an actual sentence, Judge Joseph H. Rodriguez will consult the advisory U.S. Sentencing Guidelines, which provide appropriate sentencing ranges that take into account the severity and characteristics of the offense, the defendant's criminal history, if any, and other factors. The judge, however, is not bound by those guidelines in determining a sentence.

Parole has been abolished in the federal system. Defendants who are given custodial terms must serve nearly all that time.

Christie credited Special Agents of the FDA's Office of Criminal Investigation, under the direction of Special Agent in Charge Kim A. Rice, in the Washington Field Office, with the investigation leading to the Indictment.

The Government is represented by Assistant U.S. Attorneys Eugenia A.P. Cowles and R. Stephen Stigall of the Criminal Division in Trenton and Camden, respectively.

– end –

Defense Attorney:

DeMarco - Jack McMahon, Esq. Philadelphia

Lerner - Paul Duca, Esq. Philadelphia